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GERMAN UTILIZATION OF THE NETHERLANDS ARMAMENT INDUSTRY (1940)

The first task of the Armament Inspectorate Netherlands was to negotiate with the Dutch Ministry of Economics and the owners of armament firms concerning the start or the continuation of armament work for the German Armed Forces. The refusal of the Dutch military commander and the Director of Demobilization to cooperate led to delays in the completion of three submarines and in the repair of aircraft (Fokker Plant, Amsterdam), but Dutch resistance against armament work was broken by June 1940.

Organization of German Armament Control Units in Holland:

Originally, armament missions were handled by a decentralized organization of Armament Commands (Wapenkommandos), located in Den Haag, Zwolle, and 's Hertogenbosch, but by August 1940, all matters were handled centrally by the Armament Inspectorate Netherlands. A certain degree of decentralization was achieved by the appointment of plenipotentiaries for Industry (Industrie Beauftragte -- I.B.): one plenipotentiary each was appointed for the "Philips Gloeilampfabrieken" in Eindhoven, for the "Staatlichen Artillerie Errichtungen" (State Artillery Factory) in Breda, and for the shipyards in Rotterdam. Because of the considerable utilization of the Philips concern for the armament program, the plenipotentiary for industry was replaced by outright German management with two German managers. On the other hand, the tasks of the plenipotentiary for the Rotterdam shipyards increased because of the numerous shipbuilding orders placed there by the German Navy.

Armament Plants:

By September 1940, about 160 Dutch plants were located which were considered suitable for the placing of armament orders. 278 of those firms actually received orders.

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Condition of Dutch Industry:

Most of the plants were undamaged, the shipbuilding industry was in a leading position, the machine factories, most of which had been built up during the two decades preceding the German invasion and which were equipped with modern machine tools -- all this pointed to the possibility that the Dutch economy would furnish the urgently needed relief to the German armament industry. Furthermore, there were stockpiles of steel, copper, tin, rubber, and fuel which not yet had been subjected to rationing by the state.

By September 1940 almost 1 billion RM of German orders had been placed in the Netherlands.

According to orders by Goering, all the raw materials of the occupied Netherlands were to be secured and placed under the German rationing system. The industries branch (GewI) of the Armament Inspectorate for the Netherlands concentrated in the first months of its activities on the collection and distribution of the Dutch raw materials.

By September 1940 the following raw materials were located in Holland and were transported to Germany:

<u>Raw materials</u>	<u>located</u>	<u>shipped to Germany</u>
Iron and steel scrap	--	50,000 tons
Cast iron scrap	--	8,600 "
Tin	3,000 tons	1,750 "
Aluminum	600 "	150 "
Coal and coke	775,000 "	600,000 "
Pyrites	140,000 "	9,000 "
Wool	9,500 "	2,600 "
Cotton	22,500 "	4,700 "
Sisal hemp	6,300 "	--
Manila hemp	1,700 "	--
Coconut fiber	4,000 "	--
Hides	13,000 "	4,000 "
Natural rubber	3,000 "	1,600 "
Rubber latex	600 "	375 "
Scrap rubber	3,000 "	1,200 "
Asbestos	1,300 "	--
Acetone	300 "	100 "
Oils and fats	220,000 "	69,000 "
Gasoline	190,500 "	88,000 "
Aviation gasoline	56,000 "	50,000 "
Benzol	8,300 "	--

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Gas oil	85,000 tons	10,000 tons
Heating oil	77,500 "	--
Coal oil	46,200 "	--
Crude oil	79,300 "	--
Raw tobacco	55,000 "	5,400 "
Coffee	28,000 "	7,000 "

Additional large stockpiles were found in port warehouses, for which the Armament Inspectorate arranged distribution according to the following priorities: 1st priority: German Armed Forces, 2nd priority: German civilian sector, and 3rd priority: Dutch economy (all goods in which the Armed Forces and German firms were not interested were released for Dutch use).

Plant Protection:

Plant protection measures had to be taken for all plants handling armament contracts. For this purpose, visitor controls were instituted and Dutch liaison officers (Verbindungsmänner) who had been thoroughly screened by the Security Service (Sicherheitsdienst - SD) were assigned to the plants. Plant counter-intelligence was directed especially against sabotage and the release of information on the volume of production. Since there was no systematic anti-aircraft organization for plants in Holland, the German authorities had to improvise protective measures against air raids for about 400 plants.

German Armament Orders by the Central Office of Procurement:

By 30 September 1940, approximately the following orders had been placed with Dutch industry by the Central Office of Procurement, through which all orders were channeled.

Iron, steel, and non-ferrous metal industries	600	million guilder
Textile industry	57	" "
Leather and leather-processing industry	8.5	" "
Clothing industry	5	" "
Rubber industry	5	" "
Wood-processing industry	5	" "
Chemical industry	3	" "
Various other industries	2	" "
Additional expenses for billeting and food by the Plenipotentiary of the Armed Forces for the Netherlands	35.5	" "
	721	" "

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The number of unemployed during the last ten years before the German invasion was estimated at 200,000. Because of the war, the number increased to about 600,000, and even after German orders to eliminate unemployment, there still remained on 15 June 1940 322,000 unemployed. German labor recruiters were assigned the task of recruiting the remaining unemployed either for work on armament contracts in Holland or for work in Germany. By September 1940, a total of 61,701 workers were recruited for work in Germany. The Armed Forces requested for armament plants and for the locomotive program a total of 8,108 skilled metal-workers, of which 4,436 were received.

Transportation:

A total of 83 big bridges with a span of more than 20 meters had been destroyed. By September 1940, 76 of these bridges had been restored. The reconstruction of the railroad connection from Leiden to Central Holland was given priority, so that by the end of 1940 the railroad net was restored, but a shortage of locomotives and railroad cars limited rail transportation. Of the 2,000 kilometers of state-controlled waterways, only 200 kilometers were navigable. Most of these waterways and the 7,000 kilometers of waterways controlled by the provinces were restored in short order.

The highways were damaged to only a minor degree and could be repaired by the troops.

Motor Vehicles:

A great need for fuel of all kinds by the armament industries made severe restriction of the civilian motor transport necessary. The total economic consumption by September 1940 had been decreased to 8 million liters monthly, as compared to an average monthly consumption of 48 million liters before 10 May 1940. Trucks used about 2 1/4 million liters of the 8 million total. Only 46.5 per cent of the available trucks were admitted to circulation. In order to make enough transportation available to the armament industries, all supervised plants

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had to make application for truck transportation. The Armament Inspectorate paid 5 million guilder (instead of an estimated 3 million) as compensation for 2,300 trucks, 135 automobiles, 20 motorcycles, and 10 tank trucks which had been requisitioned.

General Appraisal of the Dutch Armament Potential:

The expansion of the Dutch armament potential was considered mainly dependent upon the supply with raw materials and sufficient transportation facilities. Furthermore, the attitude of the population had to be considered. Efficiency had to be increased by new work and training methods, as well as by an increased willingness to work, which so far had been limited by opposition toward Germany resulting in occasional acts of sabotage. By the end of September 1940, production had come very close to prewar levels and the production of precision instruments was going at full capacity.

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